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Guam

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I. General

1. Guam[1] is a Non-Self-Governing Territory administered by the United States of America. Guam is the southernmost and largest of the Mariana Islands in the Pacific, situated about 1,350 miles south of Tokyo and 3,700 miles west-south-west of Hawaii. It consists of a single island of approximately 212 square miles. It comprises two distinct geological areas of about equal size. The northern part of the island is a high coralline limestone plateau and the southern region is mountainous. Apra Harbour, which is located on the central western side of the island, is one of the largest protected harbours in the Pacific and is considered to be the finest deep water port between Hawaii and the Philippines. The capital city of Guam is Hagåtña, previously known as Agana.

2. When the first Spanish missionaries came to Guam late in the seventeenth century, it was inhabited only by the indigenous people of Chamorros. They are believed to be of Mayo-Polynesian descent. Today, the Chamorros comprise over one third of the population and play an active role in the political and social life of the island. Guam has evolved into a multi-ethnic society.[2] According to the United States Census Bureau International Data Base, Guam's population for 2006 was 171,019. The main ethnic composition of the population is 37 per cent Chamorro, 26 per cent Filipino, and 11 per cent other Pacific islanders.[3] English and Chamorro are the official languages. The population growth rate in 2006 was estimated at 1.43 per cent.[4]

3. Most of the population is Christian, mainly Roman Catholic (90 per cent). Other major religious denominations are Baptist, Seventh-day Adventist, Latter-day Saints and Episcopalian.[5]

II. Constitutional, legal and political issues

4. Guam was administered by the United States Department of the Navy until 1950, when the United States Congress enacted the Guam Organic Act, which established institutions of local government and made Guam an organized Territory. Since then, the Territory has been administered by the Department of the Interior. Guam is an unincorporated Territory since not all provisions of the United States Constitution apply to the island. According to United States law, Guam, as an unincorporated Territory, is a possession of the United States but not part of the United States.

A. Constitutional structure

5. Guam has a locally elected Government, which comprises separate executive, legislative and judicial branches. Universal suffrage with respect to local elections

[1] The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[2] www.doi.gov.oia.

[3] Central Intelligence Agency, *The World Factbook 2007*, Guam (see www.cia.gov).

[4] Ibid., 8 February 2007.

[5] United States Department of the Interior, Office of Insular Affairs, *Fact Sheet*, 1988.

applies to Guamanians 18 years and older. Guamanians are citizens of the United States, but they are not eligible to vote in United States presidential elections while resident in the Territory. The people of Guam elect a Governor, who serves a four-year term. The current Governor, Felix P. Camacho, assumed that post in January 2003 and was re-elected in 2006. The Governor is responsible for the general supervision and control of the executive branch and submits an annual report to the United States Secretary of the Interior for transmission to Congress. The Governor may issue executive orders and regulations, recommend bills to the Legislature, make his views known to that body and veto legislation.

6. The people also elect 15 senators, who serve two-year terms in a unicameral Legislature. The Legislature may override the Governor's veto. Under the Organic Act of 1950, the United States Congress reserves the authority to annul any law enacted by the Guam Legislature.

7. In 1972, a new law gave Guam one non-voting delegate to the United States House of Representatives. The delegate, who serves a two-year term, may vote in committee and, since January 2007, on the floor. The change is largely symbolic, however, as territorial delegates are allowed to vote only on floor amendments, not on final approval of bills.[6]

8. In February 2006, a bill was introduced in the Guam Legislature to expand its autonomy. Bill 259, the "Patriated Organic Act of Guam" enjoyed wide bipartisan support and requested the United States Congress to allow the local Legislature to amend the provisions of the Organic Act relating to local government with a view to enabling the people of Guam to make their own decisions on island issues.[7] According to the administering Power, the Bill, however, died during the 28th Legislature, as its sponsor, one-time Senator Klitzke, did not seek re-election.

B. Legal system

9. The judicial system in Guam comprises both local and federal components. The local judicial system is made up of a Superior Court and a Supreme Court led by judges appointed by the Governor and confirmed by the Legislature. Local judges are subject to confirmation by the voters every six years. At the federal level, a District Court judge, appointed by the President of the United States, is the head of the United States District Court for Guam. In 1998, Congress adopted an amendment to the Organic Act of Guam allowing the Guam Legislature to elect its own Attorney General for a four-year term. Attorney General Douglas Moylan, who took office on 6 January 2003, is the Chief Legal Officer of the Government of Guam. The Office of the Attorney General provides legal services to the Government of Guam and is empowered with prosecutorial authority.

10. In October 2004, President Bush signed an amendment to the Organic Act that established the judiciary of Guam as an independent branch of the Government.[8] The resolution also confirmed the appellate jurisdiction and administrative authority of the Supreme Court of Guam over all inferior courts in the Territory, thereby

[6] *The New York Times*, 25 January 2007.

[7] *Pacific Islands Report*, 2 February 2006.

[8] Information transmitted to the Secretary-General by the Government of the United States under Article 73 *e* of the Charter of the United Nations, in February 2006.

effectively establishing a unified local judiciary. The Guam Delegate to the United States Congress, Congresswoman Madeleine Bordallo, stated that the new law was "an important step forward for self-governance in Guam".[9]

C. Political parties and elections

11. Guam has two main political parties, the Republican Party and the Democratic Party, which are local chapters of the two main United States political parties. In November 2006, the Republican candidate, incumbent Felix Camacho, defeated former Congressman Robert Underwood by 864 votes and was re-elected Governor. Mr. Underwood contested the outcome in the Guam Supreme Court, arguing that the ballots on which voters marked more than one candidate ("overvotes") should be counted as "votes cast", a result that would have eliminated Mr. Camacho's majority and required a run-off election. Although a 2000 Guam law stated that overvotes not be counted, Mr. Underwood's legal team contended that the federal Organic Act contradicted the local law and should pre-empt it. The Guam Supreme Court ruled in December 2006 that the Guam Electoral Commission was right to exclude the overvotes, and Mr. Camacho was inaugurated for a second term in January 2007. Mr. Underwood announced in February 2007 that he planned to appeal the decision to the United States Supreme Court.[10] In the vote for the 29th Guam Legislature, the Republicans' majority dropped from nine to eight seats. The Democrats currently hold seven seats. In the election for Guam Delegate to the United States Congress, Democrat Madeleine Bordallo ran unopposed and was re-elected for her third two-year term.[11]

D. Political issues

12. Periodically, there have been moves in Guam to change the island's political status.[8] In a 1976 referendum Guamanians decided to maintain close ties with the United States, but also to begin negotiations to improve the Territory's status. In 1979, the people of Guam rejected a draft constitution by a margin of five to one, mainly on the grounds that the question of political status had to be resolved before a meaningful constitution could be drafted.[12] In a 1982 run-off referendum, 73 per cent of voters opted to pursue commonwealth status with the United States. According to the Commission on Self-Determination, established in 1984 to draft a commonwealth agreement, the status of which was intended to be an interim, which would provide an opportunity for Guam to structure a better relationship with the United States.

13. In May 1986, the Commission on Self-Determination completed a draft Commonwealth Act, which, after a public education campaign, was submitted to an article-by-article vote on 8 August 1987 (see A/AC.109/1192, paras. 19-37). Voters approved the central proposal, but rejected articles empowering the Government of Guam to restrict immigration and granting the indigenous Chamorro people the right

[9] *Pacific Daily News*, www.pacificmagazine.net, 10 November 2006.
[10] Ibid., 9 February 2007.
[11] Ibid., 8 November 2006.
[12] *Governing Guam: Before and After the Wars*, Guam Political Status Education Coordination Commission, Hagåtña, Guam, 1994.

to determine the future political status of the Territory. In a further referendum in November 1987, both of those outstanding provisions were approved after they had been amended and rewritten. A summary of the main points in the draft Commonwealth Act is contained in the 2001 working paper (A/AC.109/2001/4).

14. Discussions between the Guam Commission on Self-Determination and the United States Government on the draft Commonwealth Act began again in 1989 and continued through 1997 without resolution (see A/AC.109/2000/6, paras. 19-22, A/AC.109/1192, paras. 19-37, and A/AC.109/2018, paras. 74-83). According to a statement made by the then Governor, Carl T. C. Gutierrez, to the House Resources Committee of the 105th Congress in October 1997, the position of the United States executive branch with regard to the draft Act has essentially been that it was unconstitutional insofar as it did not recognize the plenary authority of Congress over Guam.

15. In 1997, Guam Public Law 23-147 established a Commission on Decolonization for the Implementation and Exercise of Chamorro Self-Determination. That Commission, in concert with a process of registration of eligible voters organized by the Guam Election Commission, was to oversee the conduct of a vote on the Chamorro people's status preferences of independence, integration or free association, in accordance with international standards.

16. In 2000, the Guam Legislature provided the Guam Election Commission with the power to set the date of the decolonization plebiscite. The plebiscite was expected to ask the Territory's indigenous people to choose between statehood, independence or free association with the United States. The indigenous people are defined by law as persons or descendants of persons who were in Guam at the time of the United States ratification of the Treaty of Peace with Spain in 1898 and/or persons or descendants of persons who received United States citizenship pursuant to the Organic Act of 1950. The plebiscite would have been non-binding but would have set the course of any future discussions of political status with the administering Power. The vote, scheduled to take place on 2 November 2004, was postponed because eligible voters had not been identified and registered, and the issue has not been further addressed.

III. Budget

17. Guam's fiscal year covers the period 1 October to 30 September.[4] The budget of Guam comprises revenues received by the Government of Guam and federal grants generally, allocated to particular sectors through the Department of the Interior on an ad hoc basis. The Governor has the power to veto a budget bill, following which the bill is returned to the Legislature, which can either override the Governor's veto by a special majority or reconsider the bill. In his State of the Island Address, the Governor referred to the present situation of the Government's finances as a "financial crisis" that could no longer be ignored and could not be addressed by "short-term solutions". He pointed out that with the exception of 2004, the deficit had been rising since 1998 and that the Government could no longer sustain its current level of operations.[13] Overall however, the Governor still remained confident that the economy would improve and would receive a

[13] State of the Island Address, 19 February 2007.

significant boost from planned increases in military activity.[14] The Government of Guam is spending at a rate that would add an additional $62 million[15] to its deficit in 2007.[16]

18. On 23 February 2007, before declaring a financial "state of emergency", Governor Camacho signed an executive order instituting government-wide austerity measures intended to drastically cut government spending. The order placed restrictions on public hiring, promotions, travel, overtime and other government functions.[17] More specifically, the Governor called for $13 million worth of spending cuts, $15 million worth of tax and fee increases and a $34 million loan to avoid laying off any of the Government's employees. If the plan is not implemented, the Government may have to dismiss more than 2,200 employees.[16]

19. The federal spending proposed for Guam in this fiscal recovery strategy for the fiscal year 2007 is $496 million, with expected revenues reaching $434 million.[18] At the federal level Guam received $283 million in grants in 2006. During a meeting in Washington, D.C., with the United States Administration in February 2007, Governor Camacho asked for an increase in funding levels for education, health care and safety programmes.[19]

20. In February 2007, President Bush proposed a budget of $403.8 million for 2008, including $74.9 million on programmes to assist the insular areas, including Guam.[20] According to the Office of Insular Affairs, the top two priorities for the insular areas continue to be the promotion of private sector economic development and the effort to ensure that there is proper accountability for the use of Federal funds.[21] Furthermore, Guam will receive $658,720 under a new grant awarded on 27 February 2007 by the United States Department of Homeland Security for fiscal year 2007. The grant was allocated to help states and local governments prepare for emergencies.[22]

21. In 2007, Guam's accumulated deficit was $511 million. Major positions which make up this deficit are $123 million tied to a ruling related to cost-of-living-allowances for retirees and $90 million owed in tax credits. In the case of cost-of-living-allowances, the Government owes the money to about 4,000 retirees because of a law that was in effect between 1988 and 1995, which required an adjusted cost-of-living allowance for retirees, based on the amount of the retirement check and changes in the cost of living. Retirees instead were paid a flat amount of $1,800.[16] The tax credit ruling, known as earned income tax credit is based on a case filed by Guam's working poor who were not able to claim an earned income tax credit on tax return forms in 1997 and 1998. They will now begin to receive refunds from the Government's tax department, although the payments will be only 10/15ths of what they are owed. The first payments from Guam's Department of Revenue and Taxation are due 2 April 2007.[18]

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[14] www.kuam.com, 12 March 2007.
[15] The United States dollar is the official currency of Guam.
[16] www.guampdn.com, 19 March 2007.
[17] Ibid., 24 February 2007.
[18] www.guamgovernor.net/, 20 March 2007.
[19] www.guam.gov, Government News, 1 March 2007.
[20] www.guampdn.com, 1 March 2007.
[21] www.doi.gov, Statement, 27 February 2007.
[22] www.pacificmagazine.net, 6 March 2007.

22. The Administration wants to address the deficit by borrowing money on the bond market. Guam law allows the Governor to borrow as much as $770 million on the bond market, but the Attorney General has argued that additional borrowing will exceed the legal debt limit set under the Organic Act.

23. The decision whether the Administration can undertake the bond borrowing rests with the United States Supreme Court, whose decision is expected by June 2007.[13] In the meantime the Government of Guam has been placed on a credit watch by the Standard and Poor's rating agency, which requires the Government to come up with a plan within 90 days to address its deficit and its cash shortfall or face a downgrading to junk bonds.[23]

IV. Economy

A. General

24. According to the Guam Economic Development and Commerce Authority, Guam's economy is 60 per cent dependent on tourism; 30 per cent, on the military; and approximately 5-10 per cent, on other industries.[24] These numbers are, however, likely to change as a result of an upcoming military expansion (see also para. 26). The construction sector is also an important contributor to the economy, while the farming and fishing sectors are relatively well developed. Vegetables, citrus and tropical fruits, coconuts and sugar cane are grown and livestock, especially poultry, is raised. Manufacturing sectors include textiles and garment production, cement and plastics.[25]

25. Guam is a duty-free port and an important distribution point for goods destined for Micronesia. Re-exports constitute a high proportion of Guam's exports, which include petroleum products, iron and steel scrap, automobiles, tobacco and cigars, among others. Principal trading partners of Guam are Japan, the Republic of Korea, the United States of America, the People's Republic of China, the Federated States of Micronesia and Palau.[26]

26. The gross domestic product (GDP) of Guam in 2005 was estimated at $2.5 billion, which was equivalent to $15,000 GDP per capita compared to $43,500 per capita for the United States Mainland in 2006.[27] Strong growth is expected for the military sector. Approximately $15 billion in military spending has been announced over the next 10 years, of which $10.3 billion will be used to fund the relocation of 8,000 marines and their estimated 12,000 dependents from Okinawa, Japan, to Guam. Of that amount 60 per cent is expected to be paid for by the Japanese Government. According to the First Hawaiian Bank, which has three branches in Guam, additional military spending alone of $1.5 billion in 2008, would spur economic growth of around 18 per cent.[28]

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[23] www.guampdn.com, 21 March 2007.

[24] *Pacific Daily News*, 31 March 2005 (see www.guampdn.com).

[25] "Guam" (see www.encarta.com).

[26] *Regional Surveys of the World: The Far East and Australasia 2005, 36th Edition*, Europa (Taylor and Francis Group), London and New York.

[27] CIA *World Factbook*, 8 February 2007; 15 March 2007.

[28] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, pp. 1, 12.

27. A report published by Guam's Department of Revenue and Taxation noted that Guam's tax base has eroded over the years owing to a variety of federal and local tax breaks. Individual income tax collections fell from almost $45 million in 1999 to $40 million in 2006 and corporate tax collections from $250 million in 1999 to $190 million in 2006, despite falling unemployment numbers.[29]

28. The last unemployment rate available for Guam was in 2004, when it stood at 7.7 per cent, which represents a strong decrease since 2000, when it reached more than 15 per cent.[30]

B. Primary economic sectors

1. Agriculture and fisheries

29. Information on developments in the area of agriculture and fisheries can be found in the previous year's working paper (A/AC.109/2006/8).

2. Manufacturing/industry

30. One of the major industries on Guam, and the third most important economic sector (after tourism and the public sector), is construction.

31. According to the executive director of the Joint Guam Program Office, approximately $4 million of the $10.3 billion in estimated costs for the Marine relocation will soon be spent on Guam for the construction of housing and related facilities.[31]

3. Tourism

32. Tourism is the largest single sector in Guam's economy and generates about 60 per cent of the Territory's revenue according to Guam Visitors Bureau and accounts for 35 per cent of total jobs. In 2006, it generated about $1.35 billion to the economy.[32]

33. About 1.2 million visitors arrived in 2006, which represents only a small decline of 1 per cent in comparison to 2005.[33] Arrivals from Japan fell some 2 per cent from 888,514 in 2005 to 875,413 in 2006 and arrivals from Taiwan dropped from 23,386 to 16,729, two of Guam's key visitor groups. In 2005, 78 per cent of all visitor arrivals came from Japan. The average hotel occupancy rate for 2006 was 60 per cent compared to 63 per cent in 2005.[34]

34. On 2 March 2007, the Guam Visitors Bureau published a five-year strategic plan to raise Guam's yearly visitor arrivals to 1.5 million and entice more guests who spend more and stay longer.[35] Among the strategies are the support of airline's

[29] www.kuam.com, 15 March 2007.

[30] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, p. 5.

[31] *Pacific Islands Report*, 22 January 2007.

[32] www.guampdn.com, 1 March 2007; Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, p. 3.

[33] www.pacificmagazine.net, 1 February 2007.

[34] www.pacificmagazine.net, 1 February 2007; Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, pp. 6-7.

[35] www.guampdn.com, 3 March 2007.

marketing efforts, promotion of Guam and Micronesia in tandem to special interest groups, such as seniors, honeymooners, divers and eco-tourists and a plan to host a regional tourism development conference for investors, financiers and operators to discuss business initiatives.[36]

35. According to the Governor's 2006 State of the Island Address, more than $120 million is being invested so that the airport can accommodate the growing number of visitors.[37] In order to further promote Guam's tourist industry, the Congressional Asian Pacific American Caucus has worked with the Guam Delegate to the United States Congress during the period under review to encourage the United States Department of Commerce to direct the focus of a $10 million "Visit the U.S.A." marketing effort in part towards Japan, rather than only towards the United Kingdom of Great Britain and Northern Ireland.[38]

36. As part of the service sector, Guam has also developed a financial sector. Some institutions are locally based, while others are branches with headquarters located outside Guam. In 2005, five banks had real estate lending activities that reached $10 million.[39]

C. Transport and communications

37. In 2006, the transport infrastructure of Guam comprised five airports, four of them paved and one unpaved of which Guam's international airport is the most modern in the Western Pacific; 977 kilometres of roadways, almost all paved; and one port.[40]

38. The Port Authority of Guam, which is a public corporation and an autonomous agency of the Government of Guam, administers the commercial port facilities at Apra Harbour. It is the entry point for 95 per cent of all goods entering Guam and serves as a trans-shipment centre for Micronesia.[39]

39. Guam serves as a major telecommunications hub for the Asia/Pacific rim. Guam has a modern digital telephone system, including cellular mobile service and local access to the Internet. The system is integrated with United States facilities for direct dialling, including free use of "800" numbers.

D. Water system, sanitation and utilities

40. Approximately 74 per cent of the water supply is provided by the Guam Waterworks Authority. The remainder is produced by the Air Force and Navy installations on Guam. The Government's water sources are groundwater and surface water (Ugum River). The Navy water source is a surface reservoir (Fena Lake) in the southern part of the island. Although Guam received special notice in the 2006 Environmental Protection Agency Progress Report for significant improvements to the safety and quality of drinking water, water-loss is still a

[36] "GVB Strategic Marketing Plan 2007-2011", Guam Visitors Bureau, 31 December 2006, pp. 36-37.

[37] State of the Island Address, 22 February 2006 (see www.guamgovernor.net).

[38] Congressional Address, by Madeleine Bordallo, 17 January 2006 (see www.house.gov/bordallo).

[39] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, p. 4.

[40] See footnote 4.

challenge. A total of 40 per cent of water treated is lost owing to siphoning off of water by non-paying users, infrastructure problems or meter inaccuracies.[41]

41. The first Consolidated Commission on Utilities, elected in 2002, oversees the operations of the Guam Waterworks Authority and the Guam Power Authority.

42. In February 2007, the Commission approved a Guam Waterworks Authority master plan after three years of consultations. The plan calls for $900 million worth of projects to be completed over the next two decades, and will be reviewed every two years. The plan was developed to help improve water and wastewater service on Guam.[42]

43. One of the projects to be completed in 2007 is the $2.5 million Fena Bypass Project, which is the construction of a 9,000-foot-long water transmission line.[43]

V. Military issues

44. Guam was administered by the United States Navy until 1950, and remains the site of extensive United States naval and air force installations. Petroleum storage, munitions stowage, extensive communications facilities and other service industries that cater to the military establishment form the basis of the military infrastructure in Guam.

45. Following a decision of the United States Government in 2005 to realign United States Marine Corps capabilities in the Pacific region, approximately 20,000 United States military personnel and their families will be transferred to Guam from Okinawa over a period of six years. During a short visit to Guam on 22 February 2007, the United States Vice President, Dick Cheney, stressed the future strategic importance of the Territory.[44]

46. This military expansion will lead to almost a doubling of the present level of military personnel. The move is anticipated to benefit Guam's economy in the amount of $1.5 billion per year once the process begins.[45]

47. A poll conducted by the *Pacific Daily News* found that 61 per cent of the Guamanians surveyed believed that the military expansion would benefit the island, whereas 15 per cent regarded it as a "bad thing" for the island.[46]

48. With regard to the military's presence on Guam, many Guamanians are still seeking answers from past military activities on the island. A "Right to Know" Commission was set up in 2006 and a meeting in March 2007 was to start organizing the work of the Commission.[47]

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[41] United States Department of the Interior Office of Insular Affairs, "A Private Sector Assessment for Guam", August 2006, http://www.doi.gov/oia/reports/IslandFellows2006PSAGuamDBCFinal.pdf.

[42] www.kuam.com, 30 January 2007; Water Resources Master Plan — Commonly Asked Questions, www.guamwaterworks.org, 21 March 2007.

[43] www.kuam.com, 13 March 2007.

[44] The Associated Press, 22 February 2007.

[45] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, pp. 8-9.

[46] *Pacific Daily News*, 23 August 2006.

[47] www.kuam.com, 27 February 2007.

49. Related to the large population increase by 2010 is the need to improve infrastructure. Preliminary infrastructure to support the military move alone, outside of military facilities has been estimated to cost $945 million.[48]

50. Three submarines are already based in Apra Harbour. Pacific Air Forces have committed to basing a Global Strike Task Force at Andersen Air Force Base on Guam.

51. The Andersen Army Base started construction of a $52.8 million project that will house up to 10 unmanned spy planes. In Apra Harbour the wharves will be refurbished to accommodate aircraft carriers.[49]

52. The United States Congress authorized $193 million in military construction funds for Guam in the fiscal year 2007 National Defense Authorization Act, a $31 million increase over 2006 funding.[50]

53. For 2008, the proposed federal budget is $345 million for military construction projects on Guam, with $335 million allocated for projects on Naval Base Guam and $10 million for projects on Andersen Air Force Base.[51]

54. In March 2006, a local company received a $49.9 million contract for Alpha and Bravo wharf improvements at Naval Station Marianas. Work is expected to be completed in June 2008.[52] Currently, construction is continuing on a $13.7 million war reserve materiel warehouse and $13 million worth of munitions storage igloos at Andersen Air Force Base are in the early stages. Construction of the new $29.5 million Guam High School in the Naval Hospital compound and a new $38.4 million elementary/middle school on a Naval Base are also well under way. In addition, 99 housing units in the Navy's South Finegayan housing area are being revitalized. The $21 million project is to be completed by March 2008.[53]

55. On 22 January, the Navy held a groundbreaking ceremony for the construction of 204 three-bedroom homes in the Navy's North Tipalao housing area, a $35.9 million project, which is scheduled to be completed in October 2008.[54]

56. All future military growth is expected to take place on the 39,000 acres of existing military-owned real estate on Guam, which represents almost a third of the Territory's land area.[55]

57. As announced in the State of the Island Address, during the course of 2007 the largest anti-terrorism exercise in the world will be held in Guam. According to Governor Camacho, Guam was chosen owing in large part to its aggressive approach to increasing its preparedness and strengthening its emergency management systems.[13]

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[48] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, p. 9.
[49] *Newsweek International*, 26 February 2007.
[50] www.defenseindustrydaily.com, 1 February 2007.
[51] *Pacific Islands Report*, 14 February 2007.
[52] www.defenseindustrydaily.com, 10 March 2006.
[53] www.buildingindustryhawaii.com/307_guam.asp, accessed 21 March 2007.
[54] www.guampdn.com, 22 February 2007.
[55] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, p. 8.

VI. Land issues

58. Information on developments on land issues can be found in the previous year's working paper (A/AC.109/2006/8).

VII. Social conditions

A. Law and order

59. According to the Guam Police Department 2005 Crime Report, the crime rate on the island has gone down. Governor Camacho stated during his re-election campaign in 2006, that greater police presence, a strong campaign against violence against women and children, more confiscations of illegal drugs at the borders and rehabilitation programmes had led to this positive development. Since taking office, the Government has hired 75 new police officers, a 30 per cent increase in the Police Force of 313 officers.[56]

60. The Governor also announced the building of new police and fire stations in Dededo. One project which is in its final construction phases is a new Emergency Operations Center.[13]

61. With youth violence representing an increasing problem on Guam, an upcoming 17th annual conference "Youth for Youth Live" in April 2007 will focus on prevention of underage drinking, suicide and school violence, as well as substance abuse.[57]

B. Labour

62. According to the Guam Department of Labor, the number of both private sector and government jobs on Guam increased by 860 from December 2005 to December 2006, reaching 58,860 registered jobs. While construction jobs and jobs in retail trade, finance, insurance and real estate slightly decreased, jobs in the hotel business, services, transportation and public utilities, the Government of Guam and the federal Government increased in numbers.[58] As mentioned earlier (para. 28) the unemployment rate has gone down significantly in recent years.[59]

63. About 20,000 jobs are tourism-related, or approximately 35 per cent of total jobs on the island in 2006.[60]

64. In October 2006 the Governor announced a partnership between the Government and the local military, which seeks to help veterans and military spouses to fill about 2,600 critically needed jobs on Guam, which have gone unfilled by the civilian workforce. The programme will use federal funds to train and place the participants.[61]

65. Federal regulation that prevented skilled non-immigrant foreign workers from working in military construction projects in the Territory was lifted at the end of

[56] www.camachocruz2006.com/content/view/488/78/.
[57] www.kuam.com, 4 March 2007.
[58] *Marianas Variety*, 7 February 2006 (see www.mvariety.com).
[59] www.guamdol.net/BLS/2006%20December%20Current%20Employment.pdf.
[60] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, p. 3.
[61] www.guampdn.com, 11 October 2006.

2006.[62] Officials have estimated that as many as 20,000 skilled construction workers will be needed on the island for that work. In 2006 the island had about 5,000 construction workers.[63] In July 2006, the Governor also signed Bill 261 into law, which created a registered apprenticeship programme and authorized the Department of Labor to contract with businesses and offer incentives in order to further develop a much-needed skilled workforce.[64]

C. Education

66. Guam has an extensive public and private education system. The public education system includes the University of Guam, Guam Community College, 4 public high schools, 7 middle schools and 27 elementary schools. The private system includes 2 business colleges, 5 high schools and several elementary schools, most of which are affiliated with Roman Catholic and Protestant religious denominations. A bill in 2002, the Guam Charter Schools Act, allowed the establishment of private charter schools independent from the Department of Education.[65] According to estimates in 1990, about 99 per cent of Guamanians over the age of 15 were literate.

67. In his February 2007 State of the Island Address, Governor Camacho announced the building of four new public schools on Guam over the next two years. There is, however, resentment among part of the local population over the lack of funding for Guam's local schools, which is not the case for schools set up for children of the military personnel. This might be one reason why the Governor's stated goal for the future is a school system, integrating civilian and military students.[13]

68. In 2005, the United States Department of Education allocated over $546,000 to the Guam Community College and the University of Guam to increase the retention and graduation rates of low-income and first-generation college students, and college students with disabilities. The Department also awarded the Guam Department of Education $9.2 million over the next three years for a teacher quality enhancement programme.[66]

69. In February 2007, the Guam Education Policy Board approved a $234 million budget for the Guam Public School System for fiscal year 2008.[67] Throughout 2006 and continuing in 2007, the Administration has struggled every other week to meet its $6 million payroll, leading in some cases to unpaid utility bills and reduced paychecks.[68]

D. Public health

70. Life expectancy of Guamanians for 2006 was 75.52 years for male and 81.83 years for female.[4] The major health facility in Guam and the Federated States of

[62] Bill No. 323, www.guamlegislature.com/bills.htm, 30 December 2006.
[63] www.pacificmagazine.net, 19 September 2006.
[64] www.kuam.com, 19 July 2006.
[65] *Pacific Daily News*, 30 January 2002 (see www.guampdn.com).
[66] Press releases of Congresswoman Bordallo, 1 April and 31 March 2005 (see www.house.gov/bordallo).
[67] www.kuam.com, 28 February 2007.
[68] www.kuam.com, 16 June and 1 July 2006; www.guampdn.com, 5 and 19 March 2007.

Micronesia, the Guam Memorial Hospital, is owned by the Government and has 192 beds, including 159 beds for acute care. The United States Naval Hospital serves military personnel and dependents as well as veterans. The Guam Department of Public Health operates about a dozen medical and dental clinics.[2]

71. In his 2007 State of the Island Address, the Governor noted that rising cost, limited access to care, a shortage of doctors and nurses and lack of bed space were real problems for Guam. He emphasized the need to prevent chronic diseases and referred to the "Healthy Guam Initiative", which was scheduled to be launched in the first part of 2007.[13]

72. A federally funded expansion project at the Northern Regional Community Health Center will be completed around May 2007, while a new wing already opened in February 2007. In addition to physical expansions, there are plans to hire three more doctors, four more nurses and several additional staff. The community centre will maintain its focus on providing primary care since it is not equipped to cope with emergency cases.[69]

73. In February 2006, President Bush signed into law the Deficit Reduction Act of 2005, providing Guam with an additional $7.5 million in Medicaid funding for the needy for the fiscal years 2005-2006.

74. In addition, the 2007 Farm Bill, of which the United States Department of Agriculture is proposing to use $85 million to support $1.6 billion in loan guarantees for the reconstruction and rehabilitation of certified rural critical access hospitals, is of great interest for Guam according to the Governor, as it could improve the delivery of health services in more rural areas.[70]

75. The United States Navy also plans to spend almost $300 million on a new hospital to replace an outdated facility while preparing for the influx of marines in the next few years. Groundbreaking is planned for 2008 with construction of a hospital generally taking three to five years.[71]

E. Housing

76. According to the Guam Delegate to Congress, Madeleine Bordallo, the Territory is faced with increasing numbers of homeless people. In order to alleviate that problem, in 2006 the United States Department of Housing and Urban Development awarded $500,000 to the Guam Housing and Urban Renewal Authority as part of the Continuum of Care-Homeless Assistance Awards programme. The programme provides funding for a range of assistance to homeless persons, including transitional housing, permanent housing and a variety of supportive services.[72]

77. According to the First Hawaiian Bank, Guam real estate prices have just recently attained late 1990s pre-recession levels even though the number of sales continues to climb. Reasons are attributed to expectations about the military build-up and low interest rates. Single-family-home prices have risen 41 per cent from 2003 through the first half of 2006 and condominium prices 74 per cent.

[69] www.guampdn.com, 7 March 2007.
[70] www.pacificmagazine.net, 16 March 2007.
[71] www.estripes.com, 6 July 2006.
[72] www.hud.gov/news, 20 February 2007.

Traditionally, Guam's offshore demand has mostly come from Asia but more investors are now from the United States Mainland and Hawaii.[73] While real estate transactions on the island during the downturn in the earlier part of this decade totalled $120 million, sales for 2006 are estimated to be in excess of $400 million.[74]

F. Immigration

78. A major issue in the federal Government's relations with Guam is migration from the Freely Associated States of the Marshall Islands, Micronesia (Federated States of) and Palau. The Compact of Free Association Act of 1986, which established the relationship between the United States and the Federated States of Micronesia, and the Marshall Islands, authorized unrestricted migration from those Pacific island nations to the Territories and possessions. The Act enabled citizens of the Freely Associated States to enter Guam and to engage lawfully in occupations as non-immigrant aliens.[75] Those immigrants and their American-born children have settled in Guam, Hawaii and the Northern Mariana Islands, which has strained the resources of recipient States and Territories.

79. In order to reimburse Guam, the other Territories and Hawaii for the cost of providing government services for regional immigrants, the federal Government has issued Compact-impact funding. In December 2003, the Compact of Free Association Amendments Act of 2003 was passed, renewing the original Compact of 1986 for another 20 years. Additional Compact-impact reimbursement is authorized if impact costs rise above the mandatory appropriation of $30 million per year. An estimated $12 million to $14 million in annual funding is expected for Guam. At the same time, at the request of the Governor of Guam, the President is authorized to release, reduce or waive, in whole or in part, any amounts owed by the Government of Guam to the United States Government as an offset for past Compact-impact costs that were not reimbursed.

80. The President's budget proposal for the fiscal year 2006 announced that Guam would receive $14.2 million for that purpose.[76] The Compact-impact allocation to Guam of $14.2 million will remain the same for 2007.[77]

81. In addition, the immigration policies currently applied to Guam have resulted in a considerable increase in migration from countries, particularly the Philippines, to Guam. The 2000 census indicated that, while the Chamorro population stood at 65,243, the non-Chamorro population was 86,798.

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[73] Economic Forecast — Guam Edition 2006-2007, First Hawaiian Bank, pp. 10-11.

[74] www.kuam.com, 30 November 2006.

[75] United States Department of the Interior, Office of Insular Affairs, Report on the State of the Islands, 1999, chap. 4.

[76] *Pacific Daily News*, "White House denies request for debt relief", 1 January 2005 (see www.guampdn.com); press release of Congresswoman Bordallo, "President Bush Sends Congress FY 2006 Budget Proposal", 7 February 2005 (see www.house.gov/bordallo).

[77] www.house.gov/bordallo.

G. Human rights and related issues

82. Information on human rights and related issues can be found in the 2003 working paper (A/AC.109/2003/15).

VIII. Environment

83. Guam continues to experience environmental problems related to the United States occupation during the Second World War (see A/AC.109/2001/4, para. 83, and A/AC.109/2005/7, para. 67). In January 2002, the Navy agreed to pay $42,000 in fines and to spend $380,000 to improve its waste management, after the United States Environmental Protection Agency found that the Navy Public Works Center had handled hazardous waste poorly in the year 2000.[76] In October 2004, the Washington-based Board of Radiation Effects Research Committee started to examine possible radiation exposure Guam residents might have suffered as a result of the United States nuclear tests in the Marshall Islands in the 1950s.[78]

84. In April 2005 the Guam Delegate to the United States Congress, Madeleine Bordallo, welcomed the recommendation of the Committee to Assess the Scientific Information for the Radiation Exposure Screening and Education Program that all Americans should be given the same consideration when it comes to compensation for exposure to radiation from United States nuclear testing — including the people of Guam. According to Congresswoman Bordallo, that marks a significant departure from the current compensation programme, which uses geographic, rather than scientific, criteria.[79]

85. With regard to contamination, a $13 million cleanup project beginning at Urunao has drawn a great deal of attention. In 1945, the United States Air Force had used that cliffside as a dumping ground for all sorts of non-biodegradable materials. Just how much damage the area contains has yet to be determined, although according to the Guam Environmental Protection Agency, the site holds potential ecological, public health and chemical risks.[80]

86. The severity of the issue is also emphasized by Professor Szyfres of the University of Guam College of Natural and Applied Sciences, who states that although there might no longer be dumpsites of toxic chemicals on Guam, the island itself remains contaminated. He cited studies by the Agency for Toxic Substances and Disease Registry and the United States Environmental Protection Agency, which presented concrete evidence that the soil and groundwater of Guam contains toxic chemicals, and that concentrations of the toxic chemicals are above acceptable levels. Professor Szyfres also pointed to a Government of Guam report, which showed that in comparison to the continental United States, many diseases on the island have epidemic proportions and death rates there are higher than in the Mainland. Furthermore, he noted that the prevalence of certain types of cancer is much higher in Guam than in the Mainland.[81]

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[78] www.hawaiipublicradio.org, 11 October 2004.

[79] Press release of Congresswoman Bordallo, 28 April 2005 (see www.house.gov/bordallo).

[80] www.kuam.com, 1 March 2007.

[81] Pacific Islands Report, http://pidp.eastwestcenter.org/, 8 December 2006.

87. In late 2006, the Guam International Airport Authority and the Guam Environmental Protection Agency were awarded $1 million of federal grant money for the cleanup of brownfield sites, which are abandoned areas that are hard to develop because of real or suspected contamination.[82]

88. The United States Administration also signed the Tax Relief and Health Care Act of 2006, which included an extension of certain expiring tax provisions, energy tax provisions, health savings account modifications, and other tax breaks. Thus, the Act extends for two years the present law provisions relating to Expensing of Brownfields Remediation Costs, which will run until 31 December 2007. In addition, the Act expands the definition of hazardous substance to include petroleum products.[83] The Brownfield tax incentive allows a taxpayer to fully deduct the costs of environmental clean-up in the year the costs were incurred rather than spreading them over a period of years. Its purpose is to spur the clean-up and redevelopment of Brownfields.[84]

89. On 7 March 2007, the United States District Court of Guam expressed its leaning towards holding the Government of Guam in contempt over the failure to close the Ordot dump, which continues to pose grave health hazards to the inhabitants of the surrounding villages. Guam Government Attorney Helen Kennedy noted that it was a matter of funding in shutting down the dump and preparing for a new landfill, which was estimated at $59 million and scheduled for opening in July 2010. United States Magistrate, Judge Manibusan asked if the Government could afford to expose the community to hazards for another three to four years and noted it seemed as if they had failed to give priority to the health of the community, while giving more concern to paying back tax credits and due cost-of-living allowances (see also para. 21).[85]

90. In March 2007, the United States Navy announced that it would prepare an environmental impact statement in order to evaluate the potential effects on the environment as a result of the marine units' activities and upcoming expansion, including infrastructure changes.[86]

IX. Consideration of the question by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

91. The Special Committee considered the question of Guam at its 12th meeting, on 16 June 2006 (see A/AC.109/2006/SR.12). The Chairman introduced draft resolution A/AC.109/2006/L.19, which was adopted without a vote.[87]

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[82] www.kuam.com, 1 December 2006.

[83] www.epa.gov/brownfields/, 15 February 2007.

[84] www.epa.gov/brownfields/tl_faq_final.pdf.

[85] http://pidp.eastwestcenter.org/pireport/, 8 March 2007.

[86] www.pacificmagazine.net, 15 March 2007.

[87] See General Assembly resolution 61/128.

B. Special Political and Decolonization Committee (Fourth Committee)

92. At its 4th meeting, on 4 October 2006, the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly was addressed by six petitioners from Guam, who advocated against the continued militarization of the Territory by the United States. More than one third of the island remained militarily occupied and the Chamorro people were increasingly concerned that the administering Power had attempted to undermine — if not eliminate — the decolonization process over the past 20 years. The petitioners also called on the administering Power to fulfil its treaty obligations to provide adequate information on the Chamorro right to decolonization. The speakers also denounced the lack of Chamorro involvement in any decision-making processes or strategic plans that had a significant impact on the island, and asked the Fourth Committee to recommend to the General Assembly the adoption of a resolution condemning Guam's militarization as a breach of duty on the part of the administering Power. They also asked the United Nations to urge the United States to pay war reparations, clean up toxin waste deposited in Guam's land and water supply and to pay adequate compensation for the land it was using for military purposes.

C. Action by the General Assembly

93. On 14 December 2006, the General Assembly adopted resolutions 61/128 A and B by 173 votes to none, with four abstentions. Section VI of resolution 61/128 B is devoted specifically to Guam.

X. Future status of the Territory

A. Position of the territorial Government

94. On 2 November 2004, Guam was scheduled to hold a plebiscite on self-determination to determine the future political status of the island. The plebiscite was postponed, primarily because eligible voters had not been identified and registered. Since then the issue of the political status of the island has not been further addressed.

B. Position of the administering Power

95. At the sixty-first session of the General Assembly, speaking on 22 December 2006, in explanation of vote after the adoption of resolution 61/231 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies, the United States representative inter alia stated the following:

> "The very term 'non-self-governing' seems inappropriate for territories able to establish their own constitution, elect their own public officers, have representation in Washington, D.C., and choose their own economic path. The United States was fully supportive when countries chose independence, and was proud to welcome them as equal and sovereign partners. In the case of

Territories that did not choose independence, however, the United States has also supported the right of people in those Territories to a full measure of self-government, including the rights to integration and free association. The United States calls upon all Member States to respect the choices made by residents of Non-Self-Governing Territories" (see A/61/PV.84).

96. Assistant Secretary of State for legislative affairs in a letter to an American Samoa Congressman, outlined the position of the United States Government on the status of American Samoa and other United States Insular Areas. The Assistant Secretary's letter noted that the status of those Insular Areas regarding their political relations with the federal Government were United States internal issues and not those of the Special Committee on Decolonization. The letter also noted that the Committee had no authority to alter in any way the relationship between the United States and those Territories and no mandate to engage the United States in negotiations on their status. The letter further stated that at the same time, under its United Nations Charter obligations to provide regularly to the United Nations statistical and other information of a technical nature relating to economic, social and educational conditions in the Territory, the federal Government did submit annual updates about the United States Territories to the Committee as a demonstration of United States cooperation as an administering Power. The annual reports were also an opportunity to correct any errors in information the Committee might have received from other sources. The General Assembly had agreed in 1960 to a set of principles governing whether a territory was non-self-governing and the United States would have to provide the Committee with information showing that those principles were satisfied before the Committee would agree to "de-list", these Insular Areas.[88]

[88] http://samoanews.com, 7 November 2007.